

NON-QUALIFIED LONG-TERM CARE CHECKLIST FOR CODE 52

The Minnesota rate and form filing requirements for both group and individual Long-Term Care Insurance were affected by legislation enacted during the 2001 legislative session. The changes as adopted are found in Laws 2001, 1st Special Session, chapter 9, article 8. They are codified in Minnesota Statutes, chapters 62A and 62S.

1. Filings approved on or after 1/1/2002 for base Long-Term Care Insurance policies must comply with the above referenced law. Insurance companies must include the following items in Long-Term Care Insurance rate and form filings:
 - Specific disclosure documents, including a personal worksheet, as required by Minnesota Statutes, chapter 62S.081, Subd 4.
(An insurer shall use the forms in Appendices B and F of the Long-Term Care Insurance Model Regulation adopted by the National Association of Insurance Commissioners to comply with the requirements of Minnesota Statutes, chapter 62S.081, subdivisions 1 and 2.)
 - A provision in the policy for a contingent nonforfeiture benefit on lapse as specified in Minnesota Statutes, chapter 62S.266.
 - Initial actuarial certification as specified in Minnesota Statutes, chapter 62S.021.
2. Filings approved prior to 1/1/2002 for base Long-Term Care Insurance policies must comply with the law for policies issued on or after 1/1/2002. Insurance companies must file the following amendments for use with these policies:
 - Specific disclosure documents, including a personal worksheet, as required by Minnesota Statutes, chapter 62S.081, Subd 4.
(An insurer shall use the forms in Appendices B and F of the Long-Term Care Insurance Model Regulation adopted by the National Association of Insurance Commissioners to comply with the requirements of Minnesota Statutes chapter 62S.081, subdivisions 1 and 2.)
 - A provision in the policy for a contingent nonforfeiture benefit on lapse. (Minnesota Statutes, chapter 62S.266)

Note: The initial actuarial certification is not required for policy forms approved before 1/1/2002, even if new policies are issued after 1/1/2002.

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3. The filing requirements for rate changes are affected by the date of policy issuance, as follows:
 - Policies issued prior to 1/1/2002 must provide an actuarial memorandum demonstrating a 60% loss ratio requirement and compliance with Minnesota Statutes, chapter 62A.02 and 62A.021.
 - Policies issued on or after 1/1/2002 must provide the rate increase actuarial certification as specified by Minnesota Statutes, chapter 62S.265.

Note: Under Minnesota Statutes, chapter 62S.265, a rate change for a policy form approved prior to 1/1/02 effectively splits the block in two, or bifurcates the block into those policies issued before 1/1/02, and those issued on or after 1/1/02.
4. The following applies to the filing of amendments or riders for policy forms approved prior to 1/1/2002.
 - Most amendments or riders do not change the basic form of the policy, including those that must be filed to comply with the requirements for policies issued on or after 1/1/2002.
 - No initial actuarial certification as specified by Minnesota Statutes, chapter 62S.021 is required in this instance.
5. The filing requirements for modified provisions affecting certificates issued under a group policy that was in force on January 1, 2002 are listed below:
 - Effective date is the policy anniversary following June 30, 2002 for the following requirements:
 - a) Disclosure of rating practices in Minnesota Statutes, chapter 62S.081.
 - b) Premium rate schedule increases in Minnesota Statutes, chapter 62S.265.
 - Contingent nonforfeiture on lapse in Minnesota Statutes, chapter 62S.266 does not apply to certificates issued under such a group policy.

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◆ 60A.08 Contracts Of Insurance

Subd 5 Signatures Required

The signatures may be facsimile signatures and may be placed in brackets [] designating a "variable" item.

60A.082 Group Insurance – Benefits Continued (See Minn Rules Chapter 2755) (Applicable To Group Only)

60A.084 Notification On Group Policies (Applicable To Group Only)

◆ 60A.085 Cancellation Of Group Coverage; Notification To Covered Persons (Applicable To Group Only)

60A.086 Prohibition Of Retroactive Termination (Applicable To Group Only)

62A.02 Policy Form Filing Requirements

A long-term care insurance policy may not be offered, issued, delivered, or renewed in this state unless the policy satisfies the requirements of this chapter and the filing provisions of section 62A.02. [See also 62S.021, Subd 2, Required Submission To Commissioner.]

62A.023 Notice Of Rate Change

A health insurer or service plan corporation must send written notice to its policyholders and contract holders at their last known address at least 30 days in advance of the effective date of a proposed rate change. This notice requirement does not apply to individual certificate holders covered by group insurance policies or group subscriber contracts.

62A.024 Rate Disclosure

Explanations of rate increases; attribution to statutory changes.

If any health carrier, as defined in section 62A.011, informs a policyholder or contract holder that a rate increase is due to a statutory change, the

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health carrier must disclose the specific amount of the rate increase directly due to the statutory change and must identify the specific statutory change. This disclosure must also separate any rate increase due to medical inflation or other reasons from the rate increase directly due to statutory changes in this chapter, chapter 62C, 62D, 62E, 62H, 62J, 62L, or 64B.

◆ 62A.04 Standard Provisions (All Accident & Sickness Contracts)

Subd 10 Return Of Premium

62A.044 Payments To Governmental Institutions

Policies may not exclude coverage for services rendered by a hospital or medical institution owned or operated by the federal, state, or local government. This includes correctional facilities.

62A.18 Disability Offsets Prohibited

Policy may not offset or reduce any benefit due to any increase in disability benefits received or receivable. The disability benefit's referred to are social security benefits, railroad retirement benefits, veteran's disability benefits, workers' compensation benefits or any other benefit pursuant to federal or state law.

62A.46 Definitions

Subd 2 Long-Term Care Policy

Subd 3 Nursing Facility

Subd 4 Home Care Services

Subd 5 Prescribed Long-Term Care

Subd 7 Physician

Subd 8 Plan Of Care

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Subd 10 Home Health Agency

Subd 11 Benefit Period

Subd 12 Homebound Or House Confined

Subd 13 Benefit Day

◆62A.48 Long-Term Care Policies

Subd 1 Policy Requirements

Minnesota law prohibits a company from requiring prior hospitalization as a condition for benefits.

Subd 2 Per Diem Coverage

Subd 3 Expense-Incurred Coverage

Subd 4 Loss Ratio

The anticipated loss ratio for long-term care policies must not be less than 65 percent for policies issued on a group basis or 60 percent for policies issued on an individual or mass-market basis. **This subdivision does not apply to policies issued on or after January 1, 2002, that comply with sections 62S.021 and 62S.081. [See also Minn. Stat. § 62S.265, Premium Rate Increases.]**

Subd 5 Solicitation By Mail Or Media

Subd 6 Coordination Of Benefits

Subd 7 Existing Policies

Subd 8 Cancellation For Nonpayment Of Premium

No individual long-term care policy shall be cancelled for nonpayment of premium unless the insurer, at least 30 days before the effective date of the cancellation, has given notice to the insured and to those persons designated pursuant to section 62A.48, subdivision 1.

Subd 9 Qualified Long-Term Care

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Sections 62A.46 to 62A.56 do not apply to policies marketed as qualified long-term care insurance policies under chapter 62S.

Subd. 10 Regulation of Premiums and Premium Increases

Policies issued under M. S. § 62A.46 to 62A.56 on or after January 1, 2002, must comply with M. S. § 62S.021, 62S.081, 62S.265, and 62S.266 to the same extent as policies issued under chapter 62S.

Subd. 11 Nonforfeiture Benefits

Policies issued under M. S. § 62A.46 to 62A.56 on or after January 1, 2002, must comply with M. S. § 62S.02, subdivision 2, to the same extent as policies issued under chapter 62S. Premiums charged for a policy or certificate containing nonforfeiture benefits or a contingent benefit on lapse are subject to the loss ratio requirements of section 62A.48, subdivision 4, or 62S.26, treating the policy as a whole, except for policies or certificates that are subject to sections 62S.021, 62S.081, and 62S.265 and that comply with those sections. (62S.266)

62A.49 Home Care Services Coverage

Policies that provide home health care only may be sold, provided that they meet the requirements of 62A.46 to 62A.56, except that they do not have to meet those conditions that relate to long-term care in nursing facilities.

62A.50 Disclosures And Representations

Subd 1 Seal Or Emblems

◆ Subd 2 Cancellation Notice

The policyholder may return the policy within 30 days of its delivery and have the premium refunded in full if the policyholder is not satisfied for any reason.

◆ Subd 3 Disclosures

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Subd 4 Policies Other Than Qualified Long-term Care Insurance

62A.50 Disclosures and Representations.

Subd. 3. Disclosures. Clause (9) a signed and completed copy of the application for (Non-Qualified Long-Term Care) Insurance is left with the applicant at the time the application is made.

◆ 62A.52 Review Of Plan Of Care

The insurer may review an insured's plan of care at reasonable intervals, but no more frequently than every 30 days.

62A.64 Health Insurance; Prohibited Agreements

Governs agreements between the insurer and health care providers.

72A.20 Methods, Acts, And Practices Which Are Defined As Unfair Or Deceptive

◆ Subd 17(b) Return Of Premiums

◆ Minnesota Rules Chapter 2745

2745.0020 Activities Of Daily Living

2745.0030 Cognitive Impairment

2745.0040 Use Of Assessments To Determine Cognitive Impairment